

STANDARD FORM NO.

RESTRICTED**Office Memorandum • UNITED STATES GOVERNMENT**

TO : The Director
FROM : Assistant General Counsel
SUBJECT: CIA Legislation

DATE: 18 May 1948

1. Attached herewith is the new Senate version of the Central Intelligence Agency Act of 1948 (S. 2688), introduced on 17 May 1948 by Sen. Saltonstall (R., Mass.), together with the accompanying Senate Report No. 1302. The bill differs from the House version (H.R. 5871) in the following particulars:

a) Section 6(a) of the Senate bill (page 8, line 19) is amended to read, "transfer to and receive from other Government agencies such sums as may have been approved by the Bureau of the Budget and appropriated . . ." (Underlined words added)

b) Section 7(a)(1) (page 11, line 3) of the Senate bill uses the phrase "personal services without regard to limitations on types of persons to be employed", instead of the phrase "employment of aliens", as the Committee thought for reasons of security that the word "aliens" should not appear in the law, although it is the intent of the Committee that CIA employ aliens where necessary. This new phrase will of course permit us to hire aliens and the general counsel of the Comptroller General's office has verbally agreed to this interpretation.

c) Section 7(b) (page 12, line 8), which formerly read "Of the sums made available to the Agency, such amounts as may be approved by the Bureau of the Budget may be expended. . .", has been amended to read, "The sums made available to the Agency may be expended. . ." Sub-paragraphs 7(b)(1) and (2) of the old bill have been telescoped by the elimination of the numbers (1) and (2) into one continuous paragraph, with no further change in text.

2. Attention is called to Section 7 of the attached Senate Report No. 1302 on page 3 thereof which states, ". . . and that such funds may be expended without regard to the provisions of law applicable to Government funds." The original draft of the Report read, ". . . and that a portion of such funds. . ." Mr. Adams, the chief clerk of the Committee staff, has informed me that the phrase "a portion" has been deliberately stricken out as it is the intent of the Committee that CIA should have complete control over the expenditure of its funds, vouchered and unvouchered.

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Walter L. Pforzheimer